

State of Montana
Oil & Gas Lease Sale - December 3, 2013
Final Sale List

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, December 3, 2013.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Bidder
Dawson								
1	1, 2, 3, 4, 5, 6, 7, 8	21.N	52.E	36	All	640.00	_____	_____
Garfield								
2	1, 2, 3, 4, 5, 6	15.N	30.E	36	NE4NW4, NE4, NE4SE4	240.00	_____	_____
Golden Valley								
3	1, 2, 3, 4, 5, 6	8.N	19.E	36	All	640.00	_____	_____
Hill								
4	1, 2, 3, 4, 5, 6	32.N	14.E	16	SE4	160.00	_____	_____
Powder River								
5	1, 2, 3, 4, 5, 6, 9	9.S	45.E	36	Lots 1 thru 16, N2	949.06	_____	_____
6	1, 2, 3, 4, 5, 6, 7	9.S	50.E	36	Lot 4, NE4SE4	77.14	_____	_____
Richland								
7	1, 2, 3, 4, 5, 6, 11, 12	21.N	58.E	1	Yellowstone Riverbed and related acreage	117.00	_____	_____
8	1, 2, 3, 4, 5, 6, 10	26.N	56.E	10	W2	320.00	_____	_____
9	1, 2, 3, 4, 5, 6	27.N	55.E	31	Lots 1, 2, 3, 4	147.16	_____	_____
10	1, 2, 3, 4, 5, 6, 11, 12	27.N	56.E	2	Missouri Riverbed and related acreage	43.00	_____	_____

* Part or all of tract is not state-owned surface

Total Tracts 10

Total Acres 3,333.36

Additional lease stipulations are listed on the following pages. The Stipulations column on the sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities may request assistance or special services by calling (406) 444-4576 at least one week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

State of Montana
Oil & Gas Lease Sale - December 3, 2013
Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 Active sage grouse lek(s) have been identified on or adjacent to this tract. No activities shall occur on the tract until the proposed action has been approved in writing by the Director of the Department. If surface activity is proposed on the tract, the department will consult with the Director of the Department of Fish, Wildlife and Parks for his or her comments, concerns and recommendations. Additional mitigation measures may be required, including no-surface-occupancy buffers and/or timing restrictions, which may encompass part or all of the tract.
- 10 Any activity within 1/8 mile of the river, stream, floodplain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river and/or stream, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river, stream, or lake/reservoir.
- 11 This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
- 12 If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. Box 201601

Helena, Montana 59620-1601

The following is a list of oil and gas leases, which expired or terminated in September 2013.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Big Horn					
	9 S	42 E	16	All	640.00
	9 S	42 E	36	Lots 1, 2, 3, 4, N2, N2S2, below the base of the Fort Union formation	641.36
Blaine					
	24 N	19 E	16	NW4, N2NE4, S2	560.00
	26 N	20 E	16	All	640.00
Carbon					
	4 S	24 E	36	All	640.00
Chouteau					
	25 N	6 E	27	N2	320.00
	25 N	6 E	28	N2	320.00
	25 N	6 E	30	Lot 3, E2NW4, W2NE4, NW4SE4, NE4SW4	280.56
	25 N	6 E	32	SE4, N2SW4, SE4SW4	280.00
	25 N	6 E	33	S2	320.00
	25 N	6 E	36	All	640.00
	25 N	7 E	28	SE4SE4, N2SW4, SW4SW4, Teton Riverbed and related acreage	161.50
	25 N	7 E	29	E2	320.00
	26 N	16 E	22	E2W2, E2	480.00
	27 N	13 E	36	All	640.00
	27 N	14 E	17	S2NW4, E2, SW4	560.00
	27 N	14 E	21	All	640.00
	27 N	14 E	29	All	640.00
	27 N	14 E	30	Lots 1, 2, 3, 4, E2W2, E2	627.40
Daniels					
	34 N	49 E	36	NE4NW4, NW4NE4	80.00
Fergus					
	12 N	23 E	36	All	640.00
	13 N	22 E	36	All	640.00
	13 N	23 E	16	All	640.00
	13 N	23 E	26	SW4SE4, S2SW4	120.00
	13 N	23 E	35	NW4NW4	40.00
	13 N	23 E	36	All	640.00
	13 N	24 E	16	All	640.00
	14 N	22 E	15	NW4NW4, E2W2, E2	520.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
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Fergus (cont.)

14 N	22 E	22	NE4NW4, N2NE4	120.00
14 N	22 E	24	SW4SE4, NE4SW4, S2SW4	160.00
14 N	22 E	36	All	640.00
14 N	23 E	16	All	640.00
14 N	23 E	36	All	640.00
15 N	23 E	15	All	640.00
15 N	23 E	16	All	640.00
15 N	23 E	20	All	640.00
15 N	23 E	36	All	640.00
15 N	24 E	16	N2, SE4, N2SW4, SE4SW4	600.00
15 N	24 E	36	All	640.00
16 N	22 E	36	All	640.00
17 N	21 E	36	All	640.00
17 N	22 E	30	Lots 1, 2, E2NW4, W2NE4	239.44
17 N	22 E	36	All	640.00
17 N	23 E	19	NE4	160.00
22 N	18 E	16	All	640.00
22 N	18 E	19	E2SE4	80.00
22 N	18 E	20	W2SW4	80.00
22 N	18 E	22	SE4NE4, N2SE4, SE4SE4	160.00
22 N	18 E	24	N2NW4	80.00
22 N	18 E	25	NW4SW4	40.00
22 N	18 E	26	S2NE4	80.00
22 N	18 E	27	SE4NW4, NE4SW4, S2SW4	160.00
22 N	18 E	28	SE4NW4, SW4NE4, NW4SE4, S2S2	280.00
22 N	18 E	30	SE4SE4	40.00
22 N	18 E	34	Lot 4, N2NE4, NE4SE4	161.85
22 N	18 E	35	Lots 1, 2, SW4NE4, NE4SE4, N2SW4	243.06
22 N	18 E	36	E2NW4, NE4	240.00
22 N	19 E	2	Lot 1, SE4NE4, W2SE4	159.95

Garfield

13 N	34 E	16	All	640.00
13 N	35 E	6	Lots 3, 4, 5, 6, 7, SE4NW4, E2SW4	314.32
13 N	35 E	8	N2	320.00
13 N	36 E	16	All	640.00
13 N	37 E	16	All	640.00
13 N	38 E	16	All	640.00
13 N	39 E	16	All	640.00
14 N	34 E	1	Lots 1, 2, 3, 4, S2N2, S2	639.44
14 N	34 E	2	Lots 1, 2, 3, 4, S2N2, S2	639.60
14 N	34 E	36	All	640.00
14 N	35 E	16	All	640.00
14 N	35 E	36	All	640.00
14 N	36 E	16	All	640.00
14 N	36 E	36	All	640.00
14 N	37 E	16	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Garfield (cont.)					
	14 N	37 E	36	All	640.00
	14 N	38 E	16	All	640.00
	14 N	38 E	36	All	640.00
	14 N	39 E	16	All	640.00
	15 N	34 E	36	All	640.00
	15 N	35 E	16	All	640.00
	15 N	35 E	36	All	640.00
	15 N	36 E	16	All	640.00
	15 N	36 E	36	All	640.00
	15 N	37 E	16	All	640.00
	15 N	37 E	36	All	640.00
	15 N	38 E	16	All	640.00
	15 N	38 E	36	All	640.00
	15 N	39 E	16	All	640.00
Golden Valley					
	8 N	20 E	16	All	640.00
	8 N	20 E	34	All	640.00
	8 N	20 E	36	All	640.00
	8 N	21 E	16	All	640.00
	8 N	21 E	36	All	640.00
	8 N	22 E	16	All	640.00
	8 N	22 E	36	All	640.00
	9 N	20 E	16	All	640.00
	9 N	20 E	36	All	640.00
	9 N	21 E	16	All	640.00
	9 N	21 E	26	W2NE4, SE4NE4, NW4SE4	160.00
	9 N	21 E	36	Lots 1, 2, 3, 4, W2, W2E2	636.80
	9 N	22 E	16	N2NE4, SE4NE4, SW4SE4, W2	480.00
	10 N	20 E	36	All	640.00
	10 N	21 E	10	SE4SE4	40.00
	10 N	21 E	11	SW4SW4	40.00
	10 N	21 E	15	E2NE4	80.00
	10 N	21 E	16	All	640.00
	10 N	21 E	26	SW4NE4, SW4, W2SE4	280.00
	10 N	21 E	35	NW4NW4	40.00
	10 N	21 E	36	All	640.00
	11 N	20 E	36	Lots 1, 2, 3, 4, NW4, W2NE4, W2SW4	480.35
	11 N	21 E	16	All	640.00
	11 N	21 E	36	All	640.00
Musselshell					
	9 N	22 E	36	All	640.00
	9 N	23 E	16	All	640.00
	9 N	23 E	36	All	640.00
	10 N	22 E	16	All	640.00
	10 N	22 E	36	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Musselshell (cont.)					
	11 N	22 E	4	SW4SW4	40.00
	11 N	22 E	8	E2E2	160.00
	11 N	22 E	9	W2NW4, NE4NW4	120.00
	11 N	22 E	16	All	640.00
	11 N	22 E	36	All	640.00
	11 N	23 E	16	All	640.00
	11 N	23 E	36	All	640.00
Petroleum					
	13 N	28 E	36	All	640.00
	14 N	25 E	16	All	640.00
	14 N	26 E	16	All	640.00
	14 N	27 E	16	All	640.00
	14 N	28 E	16	All	640.00
	14 N	28 E	17	SE4	160.00
	15 N	25 E	16	All	640.00
	15 N	25 E	24	SW4	160.00
	15 N	25 E	29	All	640.00
	15 N	25 E	30	Lots 1, 2, 3, 4, E2W2, E2	620.40
	15 N	25 E	34	N2	320.00
	15 N	25 E	35	N2	320.00
	15 N	26 E	16	All	640.00
	15 N	27 E	16	All	640.00
	16 N	24 E	16	All	640.00
	16 N	24 E	36	All	640.00
	17 N	25 E	36	All	640.00
Pondera					
	28 N	4 W	6	Lots 1, 2, 3, 4	310.31
	28 N	5 W	1	Lot 1	76.17
	28 N	5 W	2	Lot 4	76.35
Powder River					
	8 S	52 E	36	All	640.00
Rosebud					
	10 N	38 E	16	All	640.00
	10 N	39 E	16	All	640.00
	11 N	37 E	36	All	640.00
	11 N	38 E	16	All	640.00
	11 N	38 E	36	All	640.00
	11 N	39 E	16	All	640.00
	11 N	39 E	36	All	640.00
	11 N	40 E	16	All	640.00
	11 N	40 E	36	All	640.00
	12 N	38 E	36	All	640.00
	12 N	39 E	16	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Rosebud (cont.)					
	12 N	39 E	36	All	640.00
	12 N	40 E	16	All	640.00
	12 N	40 E	36	All	640.00
	13 N	39 E	36	All	640.00
Stillwater					
	2 N	20 E	16	All	640.00
Sweet Grass					
	1 N	14 E	10	Yellowstone Riverbed and related acreage	10.00
	1 S	14 E	16	Lot 1, N2, N2SE4, SW4SE4, SW4, Boulder Riverbed and related acreage	640.00
Toole					
	32 N	2 E	6	Lots 3, 4, 5, 6, 7, SE4NW4, E2SW4	294.83
Valley					
	30 N	40 E	36	All	640.00
	31 N	39 E	26	N2, W2SW4	400.00
	31 N	39 E	27	All	640.00
	31 N	39 E	28	E2W2, E2	480.00
	31 N	39 E	33	Lots 2, 3, 4, E2NW4, NE4, N2SE4, NE4SW4	470.95
	31 N	39 E	34	Lots 1, 2, 3, 4, N2, N2S2	630.20
	31 N	39 E	35	Lots 3, 4, NE4, N2SE4	317.37
Wheatland					
	10 N	17 E	36	All	640.00

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: March 4, 2014 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the March 2014 Oil and Gas Lease Sale has been set for **TUESDAY, MARCH 4, 2014**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in March is 5:00pm on December 17, 2013. Applications must be received in this office by that date. If you have any questions, please contact me at jmason2@mt.gov or (406) 444-4576.

Julie Mason, Supervisor
Mineral Leasing Section
Minerals Management Bureau